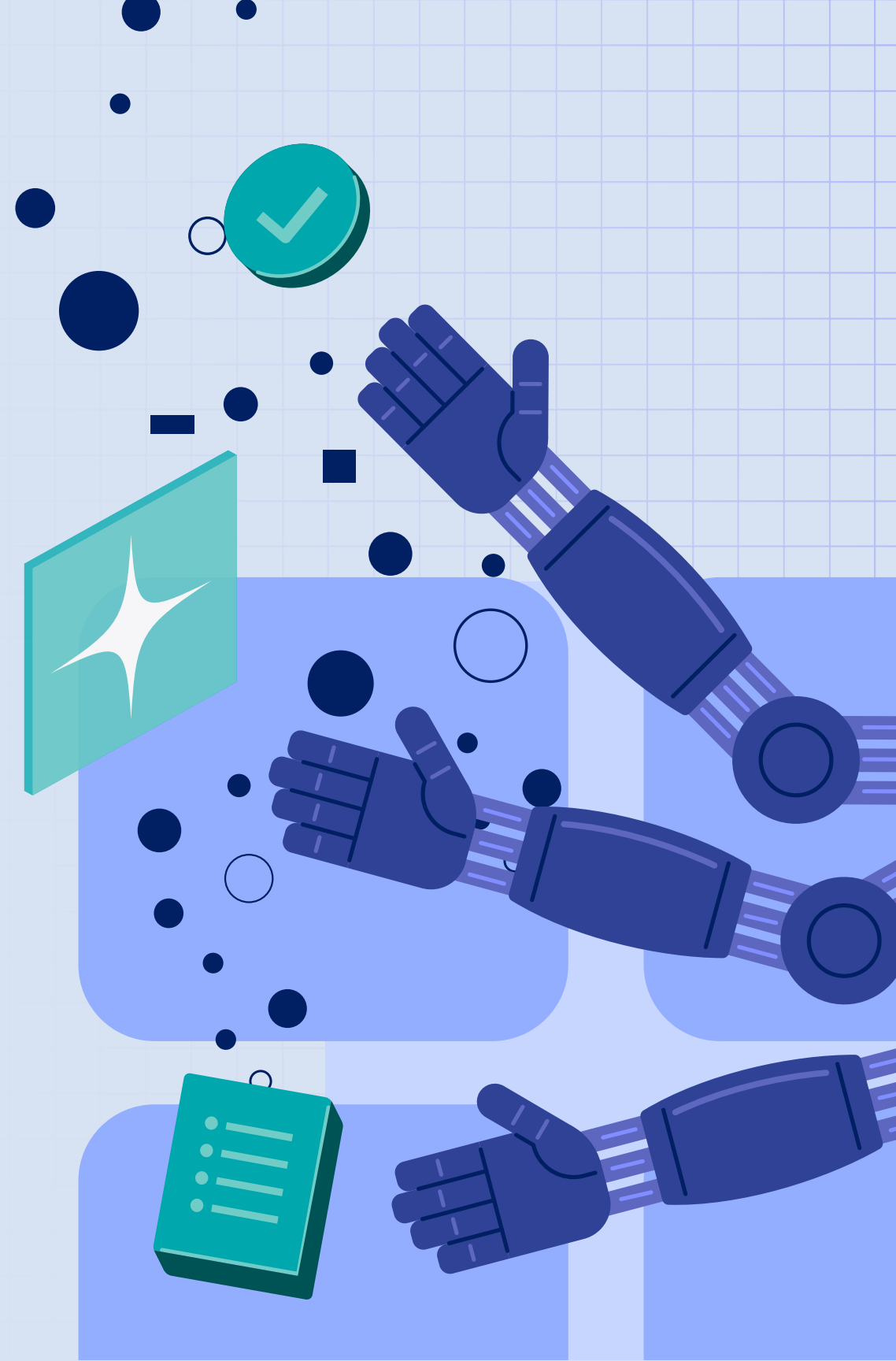




Harnessing the full potential of AI:

What operations leaders need to know in 2025



From the desk of the CTO

As we enter a new era in the age of AI, a few things have become clear:

- **Productivity hack-focused generative AI features are now commonplace.**
Every business will be using generative AI for text generation and summarization – these things are now table stakes.
- **Task-level automation alone isn't enough.**
Disconnected AI solutions may drive incremental gains, but real value is only unlocked when business processes are reimagined and optimized from end to end.
- **Generative AI isn't the only AI.**
Sometimes large language models are the right fit, but other times a problem requires predictive AI or decisioning AI to infuse logic into a process.

The path forward is not in implementing disconnected AI solutions. There's a better way. In this report, we'll examine how AI can work in tandem with workflow automation to revolutionize enterprise operations. It's my belief that this combination of technologies is what's needed to unlock exponential value in this next era of AI innovation. I hope you'll read on to learn more.

Sincerely,



DON SCHUERMAN
CTO & VP, Product
Strategy & Market



DRIVING COMPETITIVE ADVANTAGE IN THE AGE OF AI

For those who lead enterprise operations, the pressure to innovate has never been higher. The domains in your sphere of responsibility – the customer journey, the orchestration of business processes, the employee experience – are constantly in flux. Customers expect to be able to solve their problems instantly. Employees expect expert guidance and best-in-class work management tools. Yet business processes are outdated and disconnected. And costs continue to rise.

While some companies may attempt to use generative AI to patch these issues, the technology alone cannot drive the kinds of profound changes needed to resolve these types of complex operational challenges. Only an approach that combines the newest technologies of this era – generative AI, predictive AI, and AI decisioning – with end-to-end workflow automation can drive true competitive advantage in enterprise operations.

TRANSFORMING LEGACY APPLICATIONS WITH AI AND AUTOMATION

For many organizations, legacy systems are a drain on progress; they're excessively costly to maintain, they introduce risk, and they make it difficult to adapt in fast-moving markets.

For decades, companies have felt they had no choice but to live with the technical debt, or they applied temporary solutions like robotic process automation to stop the bleeding without addressing the source of the problem.

One of the most immediately impactful uses of generative AI is in the service of easing and accelerating the process of legacy transformation. With a workflow design tool powered by generative AI, companies can dramatically accelerate the rate at which they redesign and retire legacy systems.

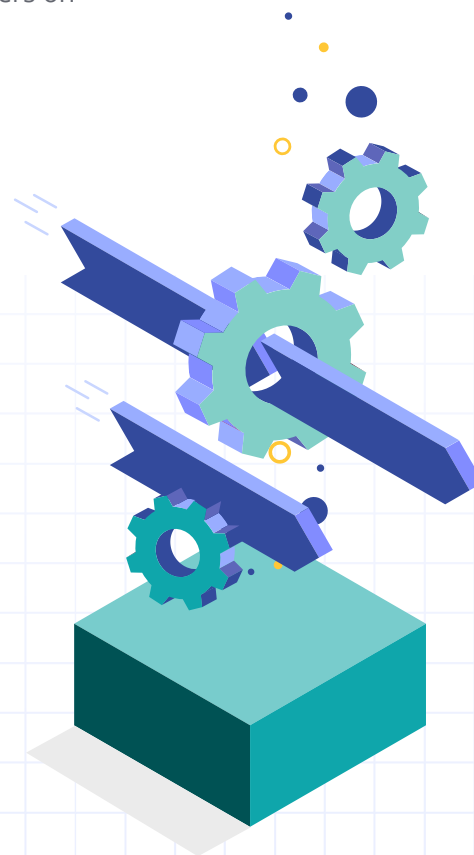


Legacy transformation with AI-powered workflow design

When a business process requires updating, the path to transformation can be slow, expensive, and difficult. Often, reimagining a legacy process is the most painful part, requiring intense collaboration among various stakeholders and dragging on for weeks or even months.

Until everyone is on the same page, the transformation process can get stuck, and this is where AI can be invaluable.

Using an AI-powered workflow design tool with built-in knowledge of industry best practices can shave critical time off the design process and align stakeholders on the best way to modernize the application.



5 steps to transformation

Below is one approach to using generative AI to accelerate legacy transformation:

- 1 **Define** the business problem you want to solve.
- 2 **Discover** existing processes and data in your legacy applications, leveraging AI to rapidly interpret existing process models, data designs, and more.
- 3 **Generate** an optimal workflow design using AI to synthesize existing systems with established industry best practices. Discuss the output with your collaborators and determine where adjustments are needed.
- 4 **Design** your new workflow using the generated components as a starting place. Discuss the stages and steps you should add, replace, or reorder. Review and edit suggestions of the data objects, fields, and systems you'll need to incorporate. Consider the roles who'll need to access the workflow.
- 5 **Import** your workflow into your workflow automation platform and run the application to get a sense of how it works.



Create a sample AI workflow for any business process now.



Leveraging AI to meet customer and employee expectations

In the age of AI, customer and employee expectations have soared.

Customers now expect your front- and back-office to connect seamlessly for fully frictionless experiences. And employees expect the same from your internal systems, along with next-generation tools to help them work faster and smarter.

Generative AI technologies like chatbots and auto-summarization widgets may seem like a natural fit here. But our advice is to pause before letting that army of disconnected AI bots loose.

Instead, we think savvy leaders should consider an approach with more staying power: deploying generative AI in tandem with statistical AI and customer journey-focused workflows. This orchestrated approach has the benefit of elevating customer journeys and employee experiences to new heights, delivering the business-differentiating operations you aspire to put in place.

To put this into practice, think about ways to leverage a variety of AI techniques in tandem to guide employees and make it easier for customers to self-serve.

To start, examine your existing customer and employee journeys and look for places where there are opportunities to:

- **Suggest the next best action for employees.** Statistical AI algorithms drive automation and learn from completed work. Use these algorithms to get insight into potential issues before they happen and embed alerts or suggestions right into your employee portal.
- **Prioritize the right employee work.** Adaptive learning algorithms linked to your key business KPIs can be leveraged in the service of better prioritization, creating routing frameworks that ensure the most pressing work gets done first.
- **Make information consumption easier.** Leverage generative AI assistants to distill documents, text, and data, getting the info employees need right into their hands the moment they need it.
- **Help customers resolve their problems through self-service.** Leverage AI-infused front-end channels to drive self-service access to your workflows across channels, including your website, chat functionality, email interactions, phone calls, and more.



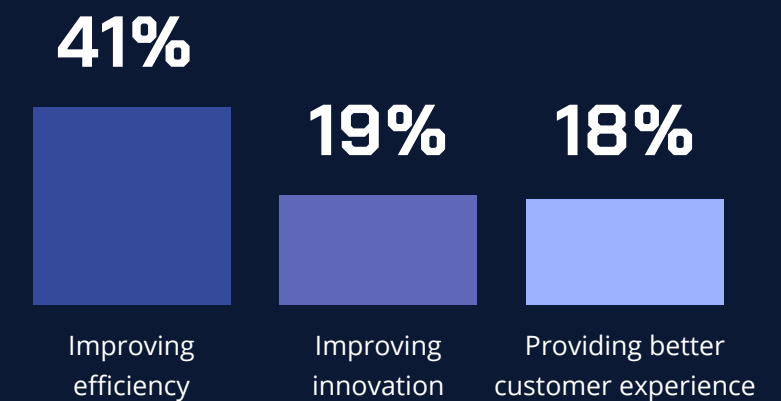
Combatting inefficiency: Why AI alone can't drive results

In a recent Pega [survey](#), we asked technology executives why they wanted to implement AI. The top response? To increase efficiency.

Nearly every business can benefit from more efficient processes, but deploying disconnected AI solutions is a weak strategy. At best, it might bring incremental gains, but at worst, it could throw you off course, causing you to over-focus on the AI tool rather than the problem you're trying to solve, and pigeonholing you onto a path that might not be optimal for your business.

So, what is the answer? To truly drive efficiencies across your operations, AI and workflow automation need to work together.

Technology executives state efficiency gains are top motivation for implementing AI



4 entry points to implementing workflow automation and AI

AI is not a silver bullet. No single AI tool on its own will significantly impact an organization's operations.

Instead, think in terms of leveraging multiple AI techniques and embedding them into your end-to-end automated workflows.

To start, think of the following four areas as efficiency boosters.

Ask yourself: Where in my business processes would the availability of these abilities drive impactful gains?

Efficiency boosters

The ability to...

Predict the future of a case

Is a case going to miss its SLA? Will a case need to be escalated? Are you likely to write off the transaction after doing a bunch of unnecessary work? Statistical AI algorithms learn from completed work and can drive insights much earlier on in the customer journey, allowing you to have the foresight to see a critical problem up ahead. Embedding these predictions into your workflows lets you take action to get work back on track.

The ability to...

Make decisions without slowdowns

The need to make a decision often slows down a case's momentum. For decisions that can be automated, adaptive learning algorithms can work in concert with decision modeling to bring rules and AI together, making decisions at scale and progressing cases forward more efficiently than before.

The ability to...

Get work to the right place automatically

When work comes in, it needs to be categorized to get to the right team or system. By leveraging natural language processing (NLP) and generative AI to understand what a task or case is about – distilling the customer intent – you can proactively route it to the best place, shaving precious time off each case lifecycle.

The ability to...

Instantly understand information

The flow of information through your organization is constant. There are strong efficiency gains to be realized from reading, understanding, and synthesizing information faster. With generative AI embedded into your systems, your employees can distill documents, text, and data into easy-to-consume summaries and move processes along faster.

CASE STUDY

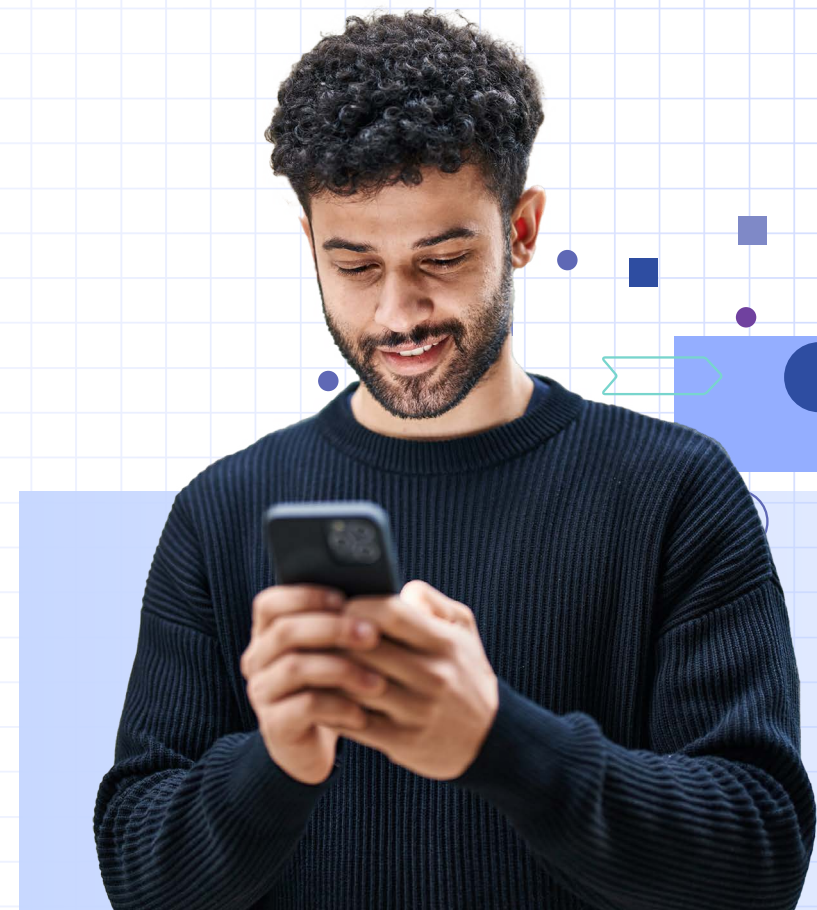
AI-led transformation at Deutsche Telekom

Deutsche Telekom's SVP of Design Authorities, Daniel Wenzel, told audiences at [PegaWorldInspire 2024](#) about what had once seemed to him like an impossible task: the need to modernize over 800 separate business processes in Deutsche Telekom's HR services department.

The biggest bottleneck in this transformation process was the need to align business and IT stakeholders. According to Daniel, the two groups didn't speak the same language, which led to an inability to stay on schedule.

A turning point in the initiative came when the team adopted an AI-powered approach. Using Pega GenAI Blueprint™, Daniel and his stakeholders were able to get back on track, using the AI-powered workflow designer's ability to foster business and IT collaboration to expedite the design process and agree on what the reimagined business processes should look like.

As a result, a stalled legacy transformation effort got back on track, putting Daniel and his team on schedule to deliver the reimagined workflows by the original project end date.



Charting a path forward with AI and workflow automation

As you consider how to integrate AI into your business ecosystem, we urge you to think in terms of the transformative rather than the incremental.

How can AI be the impetus for meaningful change in your operations? How can the desire to use it be a forcing function for a needed pivot away from legacy systems and toward modernization?

One thing is clear: There are very real gains to be made from the intelligent use of AI in the enterprise. This is undoubtedly the AI and workflow automation moment; the only question now is which businesses will choose to rise and meet it.

Get started with AI-led transformation now
Pega GenAI **★ Blueprint™**





Pega is The Enterprise Transformation Company™ that helps organizations Build for Change® with enterprise AI decisioning and workflow automation. Many of the world's most influential businesses rely on our platform to solve their most pressing challenges, from personalizing engagement to automating service to streamlining operations. Since 1983, we've built our scalable and flexible architecture to help enterprises meet today's customer demands while continuously transforming for tomorrow.

